

Nebraska Litter Fee

Revised September, 2006

**For more information, check our
Web site: www.revenue.ne.gov**



This information guide provides an overview of the Nebraska litter fee program. It is not designed to answer all questions which might arise, but is intended to enable a person to become familiar with the main provisions of this program.

What is the litter fee?

The litter fee is imposed on the gross proceeds from the manufacture and sale or sale at either wholesale or retail in this state of certain products, or by-products. The fee applies each time the products or by-products are sold. The fee is imposed annually at the rate of \$175 per \$1,000,000 of gross proceeds derived from the sale of the products listed below.

Any person engaged in business as both a retailer and either a manufacturer or a wholesaler shall pay the fee either on the gross proceeds derived from their retail operation, or from the manufacturing and wholesaling operations, whichever are greater.

Who is subject to the fee?

- Manufacturers and wholesalers engaged in business in Nebraska who have annual gross proceeds of \$100,000 or more from the manufacture and sale or sale at wholesale from all licensed locations in this state of the products listed below, and
- Retailers engaged in business in Nebraska who have annual gross proceeds of \$100,000 or more from the retail sales from all licensed locations in this state of the products listed below.

What products are subject to the fee?

Retailers are required to pay the fee on sales of:

1. Food for human consumption, including carry-out items, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages;
2. Food and beverages sold through vending machines;
3. Food for pet consumption;
4. Cigarettes and other tobacco products;
5. Household paper and household paper products (excluding magazines, newspapers, periodicals, literary works, or commercial paper such as catalogs or other advertising);
6. Cleaning agents; and
7. Kitchen supplies.

Manufacturers and wholesalers are required to pay the fee on sales of all the items listed above for retailers, as well as:

1. Glass containers;
2. Metal containers;
3. Toiletries; and
4. Plastic or fiber containers made of synthetic materials.

What products are not subject to the fee?

Litter fee does not apply to the sale of:

1. Food or food products, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages sold by retailers which are **solely** for consumption indoors on the retailer's premises;
2. Drugs, building materials, clothing, and furniture;
3. Magazines, periodicals, newspapers, literary works, or commercial papers such as catalogs or other advertising;
4. Products of farmers, ranchers, and fishermen;
5. Products stored in grain elevators which do not undergo milling or other processing;

6. Fertilizers, seeds, annual plants, animal life and feed sold for resale or used in the agricultural food industry;
7. Any animal life or products therefrom, if the person performs only the raising of the animal; and
8. Food and food products for human and pet consumption sold in bulk form and of a size not suitable for sale to consumers in the ordinary course of retail marketing.

Examples:

A quarter or side of beef;

A rail car load of grain; or

Containers of food products where shoppers may withdraw smaller portions for purchase.

Bulk form does not include large quantities of any food or food products that are packaged or sub packaged in containers or that are suitable for sale to consumers in the ordinary course of retail marketing.

Examples:

Individual number 10 cans of food that are sold by the case or individually are subject to the litter fee;

Individual meat products that are sub packaged and placed in bulk boxes and sold in Nebraska are subject to the litter fee;

A pallet containing 4,800, 6-ounce cans of peas is subject to the litter fee; or

Individual tomatoes, apples, potatoes, or other similar items are subject to the litter fee.

Licensing Procedures. Every person engaging in business in the State of Nebraska who manufactures and sells or sells at either wholesale or at retail in this state the products or by-products subject to the fee, must obtain a Nebraska litter fee license. A license is not required if the person's annual gross proceeds from

sales in this state of products subject to the litter fee at all locations are less than one hundred thousand dollars (\$100,000.00).

A separate application and litter fee license is required for each place of business in this state. Each out-of-state manufacturer, wholesaler, or retailer required to obtain a litter fee license must file an application.

The Litter Fee Return. Licensed manufacturers, wholesalers, or retailers will file **only one** Nebraska Litter Fee Return, Form 28 each year, regardless of the number of business locations that hold a valid litter fee license. Those licensees with multiple business locations must calculate the litter fee on the total gross proceeds from **all** their locations. Business operations are conducted at multiple locations if the same person or persons owns 80 percent or more of each license location.

The Form 28, is filed annually, and is due October 1. The fee is calculated on the total gross proceeds from the sale of products that are subject to the fee for the preceding 12-month period beginning July 1 and ending June 30.

Retail businesses may report and pay the Nebraska Litter Fee based on a percentage of sales in lieu of separately accounting for sales subject to the fee, if a regulation issued by the Nebraska Department of Revenue approves the use of a percentage for that particular type of retailer.

Penalty and Interest Provisions. Failure to file the litter fee return, filing after the required filing date, failure to remit the net amount of the fee due, or remitting the fee due after the required due date will subject the licenseholder to a penalty in the amount of \$25 or ten percent of the fee due, whichever is greater.

Interest at the statutory rate will be assessed on any unpaid fee from the due date until the date the fee is paid.

Operating without a litter fee license will subject the manufacturer, wholesaler, or retailer to a \$500 fine for each day of illegal operation.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call ***1-800-742-7474**
or **1-402-471-5729**

Nebraska Department of Revenue Web site address: www.revenue.ne.gov
A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

GRAND ISLAND

TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORFOLK

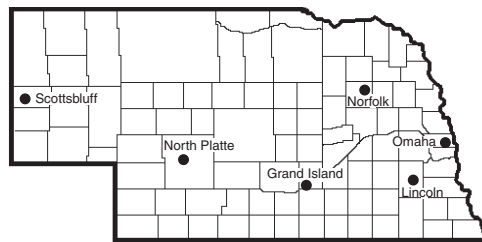
304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN

Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729



For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5730).

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.

*Toll free in Nebraska and Iowa